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RUEAIIA/CIA WASHINGTON DC
RHMCSUU/FBI WASHINGTON DC 0000
RUEKJCS/SECDEF WASHINGTON DC
RUCPDOG/USDOC WASHINGTON DC 0000

UNCLAS STATE 007843

SENSITIVE
SIPDIS
GUATEMALA FOR ELIZABETH MANGINI

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [GT](#)
SUBJECT: BLUE LANTERN LEVEL 2: POST-SHIPMENT END-USE CHECK
ON LICENSES 050020587

REF: 10 GUATEMALA 1

11. (U) This is an Action Request. See paragraph 4.

12. (U) The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a post-shipment check on licenses 050020587 for the export of riot control grenades to Guatemala. Post is requested to complete this Blue Lantern check within 45 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

13. (SBU) Reason for Request: Previous Blue Lantern check was unable to verify the bona fides of a transaction involving Guatemalan company, Proximidad S.A. (REFTEL). The company was unable to produce a contract or purchase order from the supposed end-user for that transaction. In addition, representatives of Proximidad claimed to re-export U.S.-origin defense articles to end-users in El Salvador, Honduras, and Panama. This request is to verify that the defense articles listed were received by the Policia Nacional Civil de Guatemala (PNC). This request is also to obtain specific information on Proximidad's third-country clients and the defense articles the company re-exports.

14. (SBU) Action Request: According to shipping data obtained by PM/DTCC, partial shipment on this license was made in December 2006. Post is requested to confirm that the defense articles listed below were received by the Policia Nacional Civil de Guatemala (PNC). Post is also requested to obtain detailed information from Proximidad S.A. regarding the company's international customers and the U.S.-origin defense articles the company claimed to re-export. The following points are included for guidance:

(To Proximidad S.A.)

--Can you confirm the order by the Policia Nacional Civil of the items listed below? Please provide all documentation for this transaction, including: the contract and/or purchase order from the PNC; all documentation demonstrating receipt of these items by Proximidad S.A.; and all documentation demonstrating the successful transfer to the PNC of all items received.

--Please specify the exact articles and quantities ordered by the PNC. Please specify the exact articles and quantities received by Proximidad S.A. Please specify the exact articles and quantities received by the PNC. Explain any discrepancies and provide all relevant documentation. Why wasn't this transaction completed in full?

--Did you ever retain physical possession of these articles?

--In the case of a partial shipment, please explain why the transaction was not completed in full.

--During a previous discussion with U.S. Embassy personnel, you stated that Proximidad S.A. has sold defense articles to customers that reside outside Guatemala. Please provide documentation for all instances in which you exported U.S.-origin defense articles outside Guatemala.

--Does Proximidad S.A. collaborate with any other companies or individuals to execute transactions outside Guatemala? Does Proximidad S.A. retain the services of any other companies or individuals to facilitate such transactions? If so, please provide the names and address of all these companies and individuals.

--Please name all your customers that reside outside Guatemala to which you or your associates have sold U.S.-origin defense articles.

--Please describe your relationship to U.S. company, Combined Systems. Have you ever engaged in any business activities outside Guatemala on behalf of Combined Systems? If so, please describe your exact role and provide all relevant documentation.

--Are you familiar with the regulations governing the import of U.S.-origin defense articles, including restrictions on re-transfer or re-export? Are you familiar with the regulations governing the brokering of U.S.-origin defense articles, including the requirement to register as a broker with the U.S. Department of State?

(To Policia Nacional Civil de Guatemala)

--Can you confirm the order of the exact articles and quantities listed below?

--Can you confirm receipt of all the items listed below? Please provide all documentation for this transaction, including the contract and/or purchase order issued by Government of Guatemala and any documentation demonstrating the successful shipment of all items to the PNC.

--Please specify the exact articles and quantities ordered by the PNC. Please specify the exact articles and quantities received by the PNC. Explain any discrepancies and provide all relevant documentation.

--Did Proximidad S.A. ever have physical possession of these items?

(To Appropriate Export Authorities in Guatemala)

--Is Proximidad S.A. properly registered and authorized to export defense articles outside Guatemala? Is the company properly registered and authorized to broker defense articles outside Guatemala?

--Do you have any record of Proximidad S.A. exporting or brokering U.S.-origin defense articles outside Guatemala? (NOTE: If yes, Post is requested to obtain all relevant documentation to include the names and addresses of other parties involved, if possible. END NOTE).

15. (U) Details of license applications:

DTC Case: 050020587

QUANTITY/COMMODITY:

10,000 CS Grenade Canisters, Triple Phaser 6231 (NOTE: According to shipment data, only 7,457 of these items were shipped)

5,000 Smoke Grenade Canisters, Triple Phase 6211 (NOTE: According to shipping data, none of these items were shipped)

5,000 37/38 CS Long Range Cartridges, Triple 3231 (NOTE: According to shipping data, none of these items were shipped)

4,000 Flash Bang Grenades, 7290 (NOTE: According to shipping data, none of these items were shipped)

10,000 Launching Cartridges, 12GA. Long Size 2600 (NOTE: According to shipment data, only 24 of these items were shipped)

License Value: USD \$506,000 (NOTE: According to shipment data, only \$305,000 of this order was shipped)

Combined Systems, Inc.
226 Newton Road
Plainview, NY 11803

FOREIGN CONSIGNEE:

Proximidad S.A.
6A Avenida 0-60 Zona 4
Torre Profesional II Oficina 506
Guatemala City, Guatemala 01004
TEL: 502 2335 2169 through 502 2335 2171

(NOTE: This is the contact information listed on the license in question, which dates back to 2006. The contact information below is listed on a license from 2010 and may be more current.)

12 Calle 2-04, Zona 9
Edificio Plaza del Sol, Oficina 317
Guatemala City, Guatemala
Tel: 542 2366 2286

FOREIGN END-USER:

Policia Nacional Civil
Guatemala City, Guatemala

PURPOSE:

For riot and crowd control

¶6. (U) Submitted in support of the license application were the following documents (PM/DTCC will fax documentation to Posts upon request):

DSP-83 signed by Jacob Kravel (Combined Systems) dated 09/28/2006; Jorge Lopez, Subdirector General (PNC) dated 08/30/2006; and Antonio Grajeda (Proximidad) dated 08/30/2006

Purchase Order No. 20069123 from Proximidad S.A. dated 08/31/2006

¶7. (U) Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Kyle M. Ballard, Phone: 202-663-1929; Email: BallardKM@state.gov; SIPRNET: BallardKM@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file on Intellipedia: http://www.intelink.gov/wiki/Blue_Lantern_End-Use_Monitoring_Program

¶8. (U) Department is grateful for Post's assistance in this matter.
CLINTON